collector area can generate energy equivalent to upto 1500 units of electricity when the system is used for about 300 days in a year.

(b) The Government has taken several measures to reduce the cost of solar energy systems, which include: (i) research and development to improve their performance and reduce the consumption of materials; (ii) subsidy on selected solar energy system; (iii) interest subsidy to provide soft loan to users and the manufacturers; (iv) concessional or nil import duty on some of the raw materials, components and products; (v) excise duty exemption; and (vi) 80% accelerated depreciation in the first year etc.

(c) and (d) All academic, research institutions and industries, including the private institutions, which are engaged in research in solar energy, are eligible to receive grant for undertaking R&D. In addition, expenditure on R&D by the private industries is eligible for deduction from profits under Income Tax Act.

Under a recently launched demonstration programme on grid interative solar power generation, private companies are eligible to get production based incentive for power fed to the grid from megawatt capacity solar powers plants set up on build now and operate basis in the country.

Proposal from any project developer with a maximum aggregate capacity of 5 MW, either through a single project or multiple projects of a minimum capacity of 1 MW each, would be considered under the programme. Preference would be given to the projects from the States where the State Electricity Reglatory Commission (SERCs) have announced or are in the process of announcing tariff for solar power.

For projects approved and commissioned by 31st December, 2009, the Ministry will provide generation based incentive up to Rs.12 per kWh for solar photovoltaic power and Rs.10 per kWh for solar thermal power after taking into account the tariff provided by the SERC or the utility.

Incentive schemes for solar power projects

1790. SHRI AMAR SINGH: Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether incentive schemes for solar power projects for generation of solar energy have been formulated; and

(b) if so, the sailent features thereof?

THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI VILAS MUTTEMWAR): (a) and (b) Yes, Sir. Recently the Ministry of New and Renewable Energy has announced a demonstration programme to support mega watt size grid interactive solar power generation porjects, up to a maximum capacity of 50 MW, in the country. Any registered company, as project developer, would be eligible to set up solar power projects on build, own and operate basis. Proposal from each project developer with a maximum aggregate capacity of 5 MW, either through a single project or multiple projects of a minimum capacity of 1 MW each, would be considered.

A maximum of 10 MW capacity solar power generation projects would be considered in a State. Preference would be given to the projects from the States where the State Electricity Regulatory Commission (SERCs) have announced or are in the process of announcing tariff for solar power.

For the projects approved and commissioned by 31st December, 2009, the Ministry will provide generation based incentive up to Rs. 12 per kWh for solar photovoltaic power and Rs.10 per kWh for solar thermal power fed to the grid by the solar power project developers, after taking into account the tariff provided by the SERC on the utility. The Ministry will also provide incentive to the concerned utility and the State Nodal Agency, which will be involved in implementation and monitoring of the projects in that State.

Plan for energy sector

1791. SHRI TARIQ ANWAR: Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether it is a fact that after the IT wave in the mid nineties and real estate, corporate India is now jumping on energy sector;

(b) if so, the role of Government in this regard;

(c) whether Government is looking for generating more power from renewable sources; and

(d) if so, the future plan of Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI VILAS MUTTEMWAR): (a) Yes, Sir.

(b) To attract corporate/private investment in renewable energy sector, the Government is providing a mix of fiscal and financial incentives that include capital/interest subsidy, accelerated depreciation, nil/concessional excise and customs duties. Further benefit under Section 80-1A of Income Tax Act 1961 is available to undertakings setup for the generation or generation and distribution of Renewable power in India. This apart, preferential tariff for grid interactive renewable power is being given in most potential States.

(c) and (d) The grid-interactive power installed capacity from renewable energy sources such as wind, biomass, solar and small hydro in the country at the end of the 10th Plan, *i.e.* upto 31.3.2007 was 10,250 MW which has reached 11,447 MW as on 31.01.08. A capacity addition of 14,000 MW from renewable energy sources is proposed during the Eleventh Plan.

Alternative fuel for transportation systems

1792. SHRI S. ANBALAGAN: Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether Government had taken steps during the last three years to find alternative fuels to meet the energy needs of public and private transportation in the country;

(b) if so, the details thereof and the results achieved thereon; and

(c) the steps proposed to be taken by Government to find a viable, pollution-free and renewable fuel for meeting the energy needs of the transportation system in the country?

THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI VILAS MUTTEMWAR): (a) to (c) During the last three years the Government has taken various steps to develop and promote use of alternative fuels like ethanol, bio-diesel and hydrogen for transport applications.

The Ministry of Petroleum and Natural Gas (MoP&NG) has mandated the use of 5% Ethanol Blended Petrol (EBP), subject to commercial viability in the entire country except North-Eastern States, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshadweep